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January 18, 2001

BY HAND

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JAN 18 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TW-A325
Washington, DC 20554

Re: In the Matter of Policies and Rules for the Direct Broadcast Satellite
Service, IB Docket No. 98-21/

Dear Ms. Salas:

Transmitted herewith on behalf of the State of Alaska are an original and four (4) copies of the "Supplemental Reply Comments of the State of Alaska" for filing in the above-referenced docket.

In the event there are any questions concerning this matter, please communicate with the undersigned.

Very truly yours,


Robert M. Halperin

Enclosures

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List A B C D E

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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JAN 18 2001

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

In the Matter of)
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Policies and Rules for the)
Direct Broadcast Satellite Service)
_____)

IB Docket No. 98-21

SUPPLEMENTAL REPLY COMMENTS
OF THE STATE OF ALASKA

The State of Alaska ("the State" or "Alaska") submits these brief supplemental reply comments¹ to endorse the proposals set forth in the comments filed by the State of Hawaii in this docket on January 8, 2001.² Liberalization of the Commission's non-conforming use policy for western orbital locations – combined with strict enforcement of the Commission's geographic service rule – offers remote areas of Alaska the possibility not only of improved DBS service, but also of Internet access services that are urgently needed.

Hawaii recommends that U.S. and non-U.S. licensed DBS operators be permitted to use non-full CONUS orbital slots to provide any direct-to consumer services in unlimited quantity subject to a stringent geographic service requirement

¹ These supplemental reply comments are filed pursuant to the FCC's Public Notice of December 8, 2000 (FCC00-426) requesting further comment, in the Part 100 rulemaking proceeding, on non-conforming use of direct broadcast satellite service spectrum.

² Comments of the State of Hawaii, IB Docket No. 98-21 (filed Jan. 8, 2001) ("Hawaii Comments").

(that is, services using western non-full CONUS DBS orbital slots must be made available to consumers in Alaska and Hawaii at prices and service levels that are comparable with the services available to other consumers).³ It also recommends that U.S. and non-U.S. licensed DBS operators utilizing full-CONUS orbital slots be required to comply with the Commission's existing non-conforming use policy with a clarified geographic service requirement (that is, DBS operators using these slots must provide their services (whether conforming or non-conforming) to Alaska and Hawaii that are generally comparable in price, quality, and content to the services available on the mainland).⁴ In either case, DBS operators should be required to provide direct-to-consumer Internet access to consumers in Alaska and Hawaii that is comparable to the Internet access service they provide to other Americans.

Despite the best efforts of telecommunications carriers serving rural Alaska, due to the remoteness, sparse population, and the high costs of providing telecommunications services to them, rural Alaskans do not have the same access to information services as the vast majority of other Americans. According to the State's research, only about one-quarter (82 of the 323) of the communities in Alaska have any form of local dial-up or toll-free access to the Internet. For the residents of the other three-quarters of Alaskan communities, nearly all Alaska Natives, accessing the Internet means connecting via a long distance call to an ISP.

³ Hawaii Comments at 3.

⁴ *Id.*

The reality of this situation is that affordable Internet access does not exist in 75% of Alaskan communities.

Communities in rural Alaska differ substantially from rural communities in the rest of the United States. Most rural Alaskan communities are far smaller than rural communities elsewhere. Almost 300, or 90 percent of, Alaskan communities have fewer than 1,000 people. Eighty-seven communities – over a quarter of the total – have fewer than 100 people. Another 75 communities have a population of between 100 and 250 people.⁵ Outside of Anchorage, the population density of Alaska is only about 0.5 person per square mile.⁶

Most Alaskan communities are also far more remote and isolated than rural communities in other states. Most rural communities in Alaska do not have access to the three relatively urban areas of the State (Anchorage, Fairbanks, and Juneau) via road systems (either paved or gravel), and are thus isolated in a way relatively few other Americans are. State-wide, Alaska has only about 13,000 miles of public roads, only about 3800 miles of which are paved.⁷ Although Alaska is more than

⁵ These data were provided by the Alaska Department of Labor and Workforce Development, Division of Administrative Services, Research Analysis.

⁶ The state-wide population density of Alaska is approximately 1 person per square mile and roughly half of the State's population lives in Anchorage. "Labor Department Estimates Alaska's Population" <<http://sled.alaska.edu/akfaq/aksuper.html#pop>> (visited Dec. 8, 2000).

⁷ These data were provided by the Alaska Department of Transportation, Office of the Commissioner.

twice the size of Texas, its land road mileage is more like that of Vermont.⁸ Thus, many Alaskan communities can be accessed only by air or by water. Not only are these forms of transportation generally more expensive than land transportation, they are also frequently impassible because of weather conditions.

Because of the extremely small size and extraordinary remoteness of these communities, notwithstanding the efforts of local telecommunications service providers to do what they can, telecommunications with the world beyond the local community are limited. With no access to terrestrial lines, communications going outside the village must be transmitted via costly satellite circuits or only slightly less costly microwave relay circuits. Local exchange carriers or others in some rural areas where populations exceed 2000 residents have been able to establish Internet service, but they charge often at least twice that of the urban areas. For example, ISP service delivered over dial-up access in Anchorage averages \$20 a month. That service in Kotzebue, a regional hub of 3500 people nearly 520 miles northwest, costs \$45 a month.

In remote communities in rural Alaska, the prices for telecommunications services needed to access the Internet are far higher. A 56 kbps dedicated circuit in Anchorage costs \$115 to \$240 per month; that circuit in a remote community in rural Alaska in which it is available costs \$2750 per month. A T-1 circuit in Anchorage costs \$940 per month; in a remote community in rural Alaska, if it is

⁸ <<http://sled.alaska.edu/akfaq/aksuper.html>> (visited Nov. 13, 1999).

available at all, it costs between \$11,000-\$13,000 per month. The costs of starting an ISP in these communities can exceed \$20,000, not including the cost of satellite transponder space or services. The State continues to be committed to doing what it can to reduce the costs of bandwidth in these communities, but until a solution to that problem is found, we encourage the Commission to do what it can to facilitate the provision of Internet access to these communities.

It is the State's experience, however, that merely relaxing rules to permit DBS providers to offer Internet access services will not necessarily lead to the provision of these services in Alaska and Hawaii.⁹ For example, DirecPC, an affiliate of DBS provider DirecTV, trumpets on its web page in large letters that it is available everywhere in the United States, and then in small letters states "(Unless you live in Alaska or Hawaii)".¹⁰ EchoStar's suggestion in its supplemental comments of January 8, 2001, that the Commission should permit non-conforming uses without any further regulatory restriction and that no distinction should be made between CONUS and non-CONUS orbital slots, therefore, should be rejected.¹¹ Compliance with the Commission's geographic service rule is essential if

⁹ See, e.g., Hawaii Comments at 2 n.4, 3-5.

¹⁰ A copy of the relevant web page is attached. The DirecPC web page also permits users to search by state for the nearest access number to use with the DirecPC service. When one enters Alaska in the inquiry box, the response page appears with no responsive information. A copy of these pages is also attached.

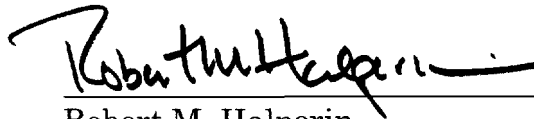
¹¹ See Supplemental Comments of EchoStar Satellite Corporation, IB Docket No. 98-21 (filed Jan. 8, 2001).

all Americans are to benefit from any use of DBS facilities for Internet access or other non-broadcast purposes.

For all of the reasons set forth above, the State of Alaska endorses the proposals set forth in the Comments of the State of Hawaii filed January 8, 2001.

Respectfully submitted,

THE STATE OF ALASKA

A handwritten signature in black ink, appearing to read "Robert M. Halperin", is written over a horizontal line.

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Date: January 18, 2001

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ATTACHMENT



Where can I buy it?

- ⊙ What is DirecPC?
- ⊙ What equipment do I need?
- ⊙ How much does it cost?
- ⊙ How does it work?
- ⊙ Where can I buy it?
- ⊙ People are talking
- ⊙ The Scoop

⊙ It's everywhere. (Unless you live in Alaska or Hawaii)

As long as you live in the continental United States, you should have no trouble finding a local retailer or on-line merchant ready to sell you the DirecPC hardware you need to get started. That's the great thing about DirecPC -- it doesn't matter where you live; as long as you've got a clear line of sight to the Southern sky, you're ready to get started. (Click [here](#) to find a retailer near you, or [here](#) to choose one of DirecPC's preferred on-line retail partners.)

DirecPC also has a number of international partners who provide the service to businesses all over the world. Click [here](#) to find out if DirecPC is available in your area of the globe.

⊙ See DirecPC for yourself

So you're a try-before-you-buy kind of consumer. Our favorite kind! Once you get a taste of the kind of speed DirecPC has to offer, we're positive you'll drive home with a dish in the passenger seat. So take a look at our searchable dealer database to find a retailer in your area - all the retailers on our list have live DirecPC systems up and running, and can't wait to show you what the fastest Internet access system available nationwide can do.

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Find!

The Closest Access Number according to your selected state is :

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of January, 2001, a copy of the foregoing Supplemental Reply Comments of The State of Alaska was served by first-class mail on the following:

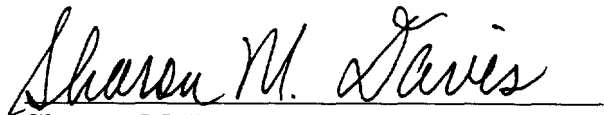
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